

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Senior and Long Term Care Division

DIVISION CONTACTS

The department, division, program director and chief financial officer for the department, division, program and their contact information are:

Title	Name	Phone Number	E-mail address
Director	Joan Miles	444-5622	jmiles@mt.gov
Deputy Director	John Chappuis	444-4088	jchappuis@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Norm Rostocki	444-4143	nrostocki@mt.gov

WHAT THE DIVISION DOES

The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded long-term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages

The Division manages payments to Medicaid funded nursing facilities and Medicaid funded home and community long term care programs; provides nursing facility services in two state veterans nursing homes, manages programs for senior citizens under the federal older Americans act, provides adult protective services to vulnerable senior citizens and people with disabilities; manages the state supplement to the federal SSI payments system, and plans for and educates the public about long term care issues and services and addresses aging related issues.

The Mission of the Division is to advocate for and promote dignity and independence for older Montanans and Montanans with disabilities by:

- Providing information, education and assistance:
- Planning, developing and providing for quality long-term care services, and.
- Operating within a cost-effective service delivery system.

Statutory Authority For Division

Aging Services, 52-3-201 et seq., MCA, (Protection Services Act for Aged Persons or Disabled Adults), 52-3-501 et seq., MCA, (Montana Older Americans Act), 52-3-801 et seq., MCA, (Montana Elder and Developmentally Disabled Abuse Prevention Act); P.L.89-75 (Federal Older Americans Act), P.L. 93-66 Section 212, P.L. 93-233 (authorizes states to supplement the Supplemental Security Income Amendments to the (SSI) Payments Program Social Security Act); Veteran's Homes, 10-2-401, MCA (authorizes and establishes Montana Veteran's Homes); 53-1-602, MCA (Eastern Montana Veteran's Home); Medicaid, Title 53, Chapter 6, MCA; Title 19, Social Security Act 42 USC 1396 et. seq. (establishes and authorizes Medicaid Program).

HOW SERVICES ARE PROVIDED

The Division is charged with serving three key groups of people: 1. Senior citizens who are in need of or who are planning for long term care; 2. People with serious disabilities who are in need of long term care and who are not developmentally disabled; and 3. Baby Boomers who are helping their parents as they age or planning to meet their own long term care needs in the future.

The Division has a total staff of 193.44 FTE, with 123.69 of these FTE working in the state operated veterans nursing facility. The Division makes services available through six major programs:

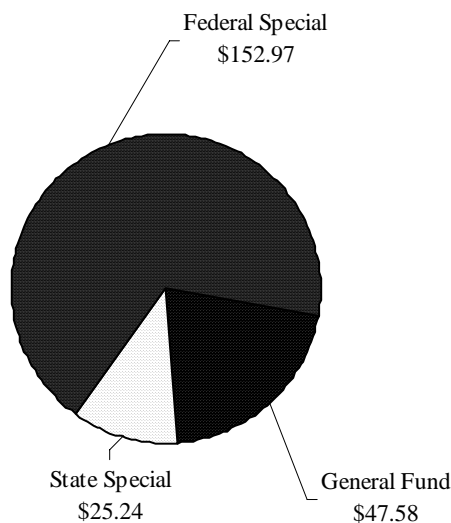
- 1) The Office on Aging provides meals, transportation, public education, information and assistance, long-term care ombudsman and other services;
- 2) Medicaid Community Services Program pays for in-home, assisted living, and other community-based services to Medicaid-eligible individuals as an alternative to nursing home care;
- 3) Medicaid Nursing Facility Program pays for care to Medicaid-eligible individuals in 90 Montana nursing homes;
- 4) Protective services, including the investigation of abuse, neglect and exploitation are provided by adult protective services social workers;
- 5) Skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home in Glendive; and
- 6) The State Supplemental Payments Program pays for a portion of the room and board costs for SSI eligible individuals residing in designated residential care facilities.

The largest source of funding in the Division is the federal Medicaid program. The federal government pays approximately 69% of Medicaid expenditures, while the state provides the remaining 31% in matching funds.

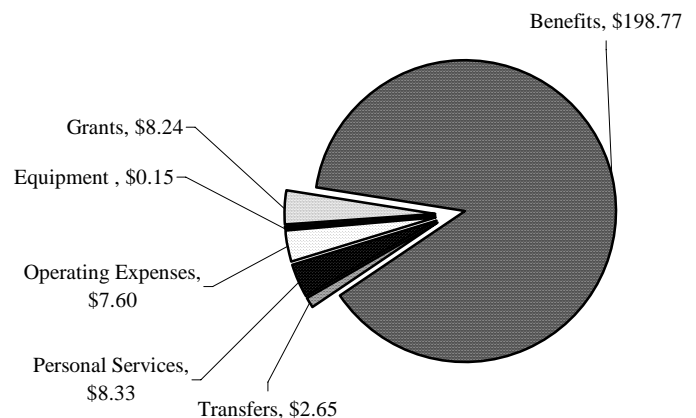
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Senior and Long Term Care Division. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding

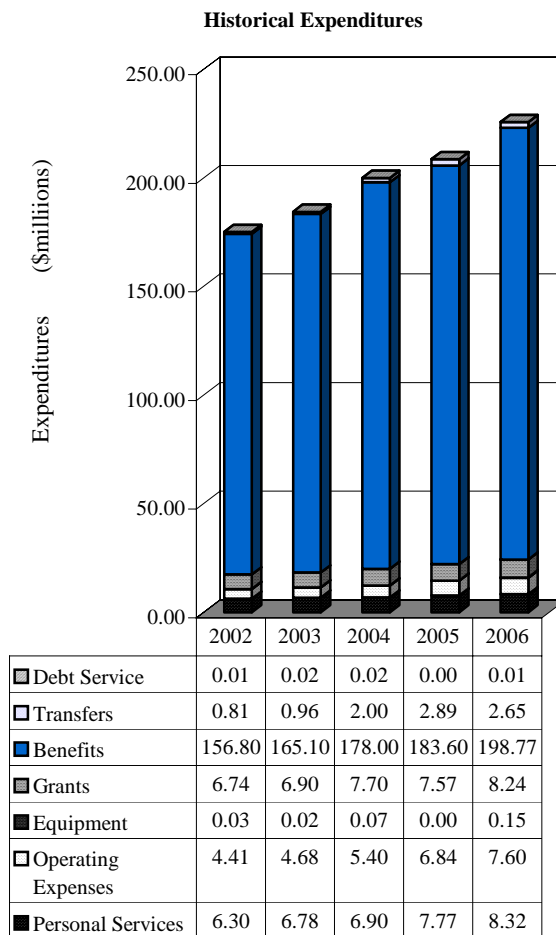
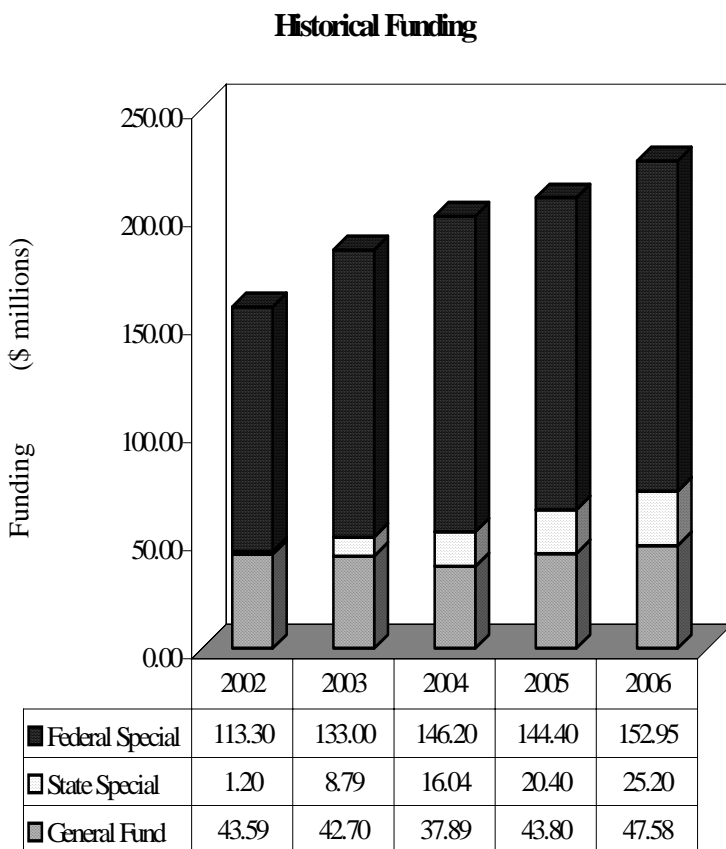


FY 2006 First Level Expenditures



The division did not have any administrative appropriations in fiscal year 2006.

The following figures show funding and expenditures from FY 2002 through FY 2006, which includes funding from HB 2 as well as HB 749 Nursing Facility Provider Tax (\$11.949 million).



The change in revenues and expenditures between fiscal 2002 through 2006 represent increases in the Medicaid funded services in the Division related to caseload, federal medical assistance FMAP matching rate changes, provider rate increases and expansion of the home and community based waiver. Increases in state special revenues are related to increases in nursing facility provider tax, intergovernmental fund transfers, cigarette tax funding and use of I -149 funding in 2005 and 2006 to fund direct care wages and provider rate increases. Increases in general funds are also related to increases in aging service programs for meals and caregiver services. Detailed break downs are provided in each individual program writeup.

2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

The Division implemented or expanded several programs with (general, state or federal) funding in the 2007 biennium. Some of the areas are highlighted below and others are addressed in more detail in the program templates related to those Division programs.

*The 2005 Legislature provided for biennial, restricted, one-time-only general fund appropriation of \$600,000 to support in-home caregiver services. These funds were passed through to Area Agencies on Aging to provide

in-home care giving services to elderly citizens residing in their homes. The appropriation was designated as one-time-only and as such, it is not included in the 2006 base budget.

*The 2005 Legislature provided \$567,000 of OTO general funds to the Aging programs for grants to local Area Agencies on Aging for Meals on Wheels, congregate feeding programs and other programs for the elderly in the community. \$257,000 of this dollar amount represents funding that was removed during the 2003 biennium from these programs and was temporarily restored during FY2004 with federal funds from Jobs and Growth Tax Relief Reconciliation Act and \$310,000 which represents new general fund added in the 2005 biennium. This appropriation was designated as one-time- only and as such, it is not included in the 2006 base budget.

*The 2005 legislature allocated skilled nursing facilities and community based providers direct care worker wage increases of \$13.7 of general fund, tobacco state special revenue and federal funds over the biennium to increase direct care worker wages by a \$1.00 (75 cents and hour in salary and 25 cents and hour in benefits). A report on the implementation of these direct care wage increases was provided to the Legislative Finance Committee in the interim.

*The 2005 legislature approved a 3% provider rate increase in nursing facility and community services programs funded with I-149 state special revenue and federal Medicaid matching funds.

*The 2005 legislature funded an expansion of the home and community based services waiver by approximately 112 people using general funds, state special revenue from I -149 funds and federal Medicaid funds

*Nursing Facility Provider Tax provided increased funding for the nursing home program. The provider tax increased between FY 06 and FY 07 from \$7.05 to \$8.30 per day providing state special revenue funds for increases in nursing facility payments.

FTE

No additional FTE were approved in the 2007 Biennium for this Division.

2007 Biennium FTE Hire Dates	FTE	Date

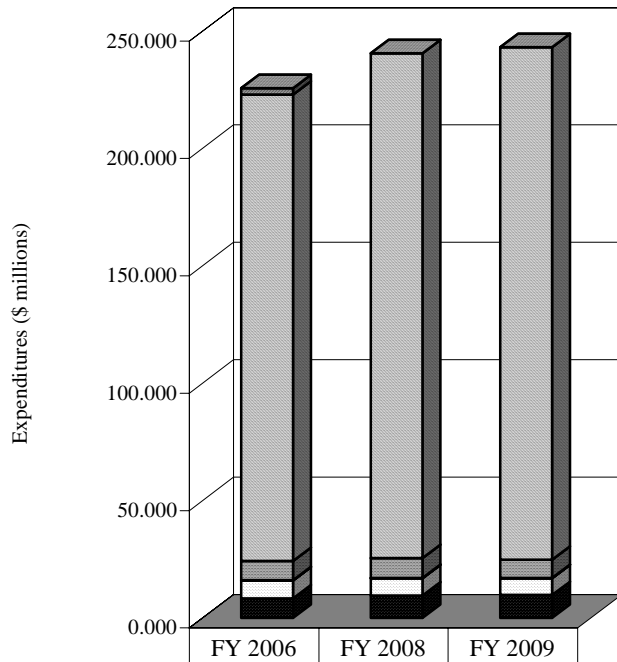
CORRECTIVE ACTION PLANS

The Division had no legislative or federal audit recommendations and associated corrective action plans in place during the 2007 biennium. The Adult Protective Services Program writeup outlines 2003 audit recommendation from Legislative Auditor and its implementation by the Division.

2009 BIENNIUM BUDGET

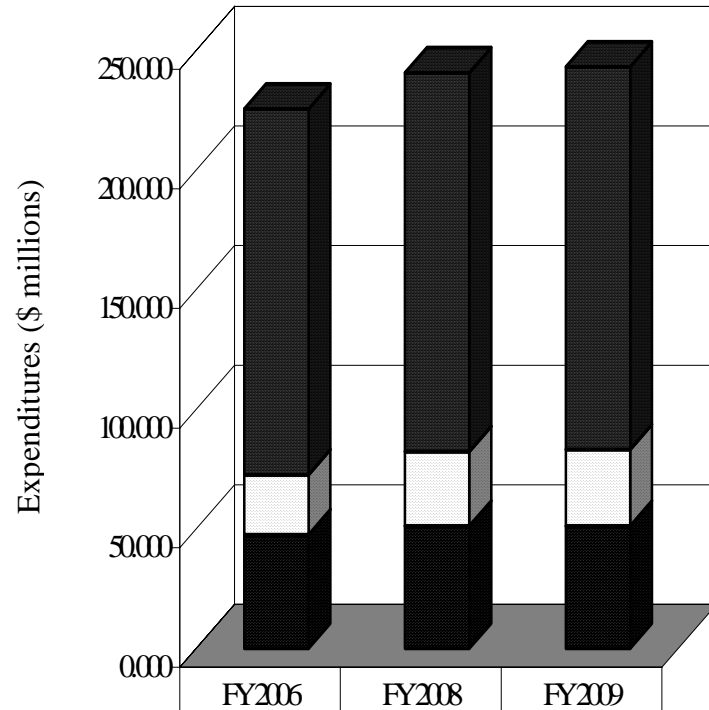
The following figures show the proposed HB 2 budget for the 2009 biennium. The total Division request for the biennium is \$51,181,697 general fund dollars, \$32,015,899 State Special/other dollars, and \$160,021,439 in federal funding.

DPHS
2009 Biennium HB2 Budget



	FY 2006	FY 2008	FY 2009
Debt Service	0.009	0.001	0.013
Transfers	2.650		
Benefits	198.770	215.100	218.300
Grants	8.240	8.450	7.850
Equipment	0.145	0.140	0.100
Operating Expenses	7.600	7.410	7.160
Personal Services	8.320	9.520	9.750

DPHS
2009 Biennium HB2 Budget



	FY 2006	FY 2008	FY 2009
Federal Special	152.930	158.400	160.020
State/Other Special	25.200	31.090	32.010
General Fund	47.500	51.200	51.180

Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Senior and Long Term Care Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Operate an efficient and cost effective long-term care system.	<ol style="list-style-type: none"> 1. Maintain the total long-term care expenditures of the SLTCD within the budget established by the legislature for each year of the 2008/2009 biennium. 2. Pursue additional federal funding opportunities to enhance or expand services without the need for additional state dollars. 	Benchmarks are available For each goal and objective
Increase the ability of Montanans to prepare to meet their own long- term care needs, or the long-term care needs of a relative or a friend.	<ol style="list-style-type: none"> 1. Increase the number of requests for information on the State Aging Hotline and AAA toll free number each year. 2. Maintain or increase the number of home delivered meals served through the Aging Network. 3. Increase the number of Information and Assistance program contacts each year. 4. Increase the number of individuals served each year by the State Health Insurance Program (SHIP). 5. Maintain the number of participants at the Governor's Conference on Aging each year. 6. SLTCD staff will conduct at least 100 public presentations each year. 7. Increase the number of visits to the SLTCD website each year. 8. Develop a coordinated continuing public education campaign to inform Montanans about long term care issues and options emphasizing the need for individual long term care planning and personal responsibility for individual health care needs. 9. Revise or update the annual State of Aging in Montana report. 10. Maintain or increase the average monthly visitation rates by ombudsmen to licensed nursing facilities, assisted living facilities and Critical Access Hospitals with swing beds each year. 11. Increase the number of counties that have Aging and Disability Resource Centers and increase the number of clients these Centers assist with eligibility for public benefits. 12. Increase the number of caregivers receiving supportive services (including respite care) and increase the project income for these services. 	

<p>Increase the number of Montanans who meet some or all of their own, or someone else's long-term care needs.</p>	<ol style="list-style-type: none"> 1. Increase the number of people with long term care insurance as measured by the number of people claiming a tax deduction for long term care insurance on their state income tax returns. 2. Increase the number of people taking the tax credit for caring for an elderly dependent. 3. Increase the average amount of daily patient contributions paid towards Medicaid nursing home care. 4. Increase the funds recovered under the Medicaid lien and estate recovery program. 5. Increase the percentage of people privately paying for nursing home care each state fiscal year. 	
<p>Ensure high quality of publicly funded long-term care services to Montanans.</p>	<ol style="list-style-type: none"> 1. Pursue provider rate increases and direct care wage and health insurance initiatives for providers that serve a high proportion of Medicaid consumers to maintain access to services. 2. Pursue avenues to maintain the current level of funding that is derived from provider taxes to enhance and stabilize Medicaid nursing facility price based reimbursement system. 3. Continue to assist financially strapped rural county affiliated nursing homes by increasing their Medicaid reimbursement rates through the use of intergovernmental transfers of matching funds to the SLTCD. 4. Maintain or increase the current percentage of reasonable costs per day reimbursed by the Medicaid nursing home program. 	
<p>Support Montanans in their desire to stay in their own homes or live in smaller community based residential settings for as long as possible.</p>	<ol style="list-style-type: none"> 1. Increase the total amount of the Senior and Long Term Care Division budget that goes to home and community services. 2. Increase the percentage of Montanans age 65 or older who live at home or in small residential alternatives. 3. Increase the number of people served under the Medicaid Home and Community Based Services (HCBS) Waiver by at least 100 over the biennium. 4. Reduce the percentage of nursing facility residents under age 65. 5. Pursue grants to improve services to underserved populations and solidify quality assurance practices. 6. Maintain the average length of stay for an individual on the HCBS Waiver waiting list at less than one year. 	
<p>Enhance the ability of the state to protect senior citizens and people with disabilities who are at risk of abuse, neglect and exploitation while ensuring maximum independence and self- determination</p>	<ol style="list-style-type: none"> 1. Work, within budgetary constraints, to maximize services to vulnerable individuals through continuing to pursue additional discretionary monies to support abuse prevention activities over the next biennium. 2. Continue to support the development of Chapters affiliated with the National Committee for the Prevention of Elder Abuse and other, similar, prevention organizations. 3. Work to effectively decrease the number of guardianships of incapacitated adult individuals held by state agencies by assisting in the development of private, non-profit guardianship provider entities (e.g., councils, individuals and other groups) and transferring appropriate guardianships to those entities. A goal for reduction of state-held guardianships will be 5% (approximately 10 individuals) per year over the next biennium. 4. Maintain and utilize the Operation Protect Montana (OPM) protective services data management and reporting system to address ongoing issues of workload/caseload, referrals, guardianships and other protective service needs for the protection of vulnerable adults. 	

Provide efficient, effective, high quality nursing facility services to Montana Veterans, at the Montana Veterans home and the Eastern Montana Veterans Home	<ol style="list-style-type: none"> 1. Meet the annual state standards necessary for licensure and certification of nursing facilities at MVH and EMVH during each year in the coming biennium. 2. Achieve and maintain occupancy rates equal to, or greater than, those of other nursing facilities in the region of the state in which each facility is located. 3. Continue to assess and address direct care staff recruitment and retention difficulties at MVH and EMVH by developing alternative compensation proposals and wage incentives to attract and retain direct care staff at both facilities. 4. Request funding to upgrade physical plant at EMVH by replacing roof on building. 5. Request funding for remodeling and expansion projects at MVH, which would add additional dining/lounge space, remodel existing nursing station, add three (3) private rooms in order to improved dining capacity, improved nurse supervision of residents, improved quality of care and increased staff efficiency. 6. Request additional staffing resources to better meet the needs of residents with dementia/Alzheimer's residing in MVH special care unit. 7. Continue to evaluate the operations of both facilities and assess the feasibility of contracting versus direct operation of Montana's State Veterans' facilities in light of Veterans' Study data. 8. Continue to utilize "School to Work" programs in Dawson County to further enhance and improve the grounds at the EMVH facility. 	
--	---	--

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Division budget submission to the Governor's Office. Detailed budget or policy issues pertaining to each of the Divisions programs have been highlighted in each of those program writeups.

Present Law:

The most significant present law adjustments for the division are related to the adjustments for recognition of changes in the federal participation rate change (FMAP) for Medicaid funded programs, caseload adjustments for Medicaid programs and the annualization of activity from 2006 to 2007, such as waiver expansion, direct care wages and home based services. The proposed budget includes Nursing Facility Provider Tax of \$15,689,000 total funds for increases in the nursing home provider tax between FY 06 and FY 07 from \$7.05 to \$8.30 per day. Operating cost adjustments for the Montana Veterans' Home expenses total \$1,825,805 over the biennium from state special revenue.

New Proposals:

HCBS Waiver Expansion: This proposal requests \$5,298,110 total funds over the biennium including \$1.6 million in general funds and \$3.6 million in federal funds for the expansion of the Medicaid Home and Community Based Waiver program. This expansion will add funding to serve approximately 100 new individuals waiting to access community services in home or assisted living settings, supported living, or heavy care services such as ventilator or traumatic brain injury services.

Provider Rate Increases -

The proposed budget includes a request for increases for provider rates by 2.5% for the biennium. Total funds requested are \$10,372,211 with \$358,026 general funds and \$3,148,464 I-149 Tobacco Initiative funds.

Additional FTE Requested totals 10.30 FTE: 1.50 FTE field staff for Adult Protective Services (APS) referrals; 1.00 FTE in the Aging Services Bureau for the State Health Insurance Program (SHIP); 1.00 FTE Ombudsman in the Aging Bureau; Certified Nurse Assistant (CNA) for two shifts seven days a week (3.20FTE), one activities aide for one shift

seven days a week (1.6 FTE) and a housekeeper on the weekends for the SCU (0.40 FTE), a 0.60 FTE position for a pharmacy clerk at the Montana Veterans Home in Columbia Falls, and a Alzheimer Grant Continuation FTE 1.0.

- Nursing Home IGT Adjustment -

This request reflects the anticipated increase in Nursing Home Intergovernmental Payments (IGT) between the FY 06 base and the 2009 biennium. The increase is anticipated to cost approximately \$7.4 million over the biennium, with the state share coming from local county resources and none from the general fund.

- Elderly Meal Programs -

This is a request for \$692,000 general fund each year over the biennium to support aging programs and grants administered by Area Agencies on Aging. This request restores general fund to these programs and increases the funding for these activities by \$125,000 per year.

-In-Home Caregiver Program

The SLTC budget includes a request for \$600,000 in general fund over the biennium for Area Agencies on Aging to provide in-home caregiver services to elderly citizens residing in their own homes. These funds were passed through to Area Agencies on Aging to provide in-home care-giving services to elderly citizens residing in their homes. The appropriation was designated as one-time-only and as such, it is not included in the 2006 base budget.

- Personal Needs Increase -

This decision package requests \$256,509 from tobacco trust interest funding, over the biennium, to provide for increases in the personal needs allowance for nursing facility residents from \$40.00 per month to \$50.00 per month. Personal needs funds are used by residents to purchase personal items that are not covered under the nursing facility reimbursement such as postage, cards, gifts and beauty shop services for residents.

MVH Recruitment and Retention Contingency - Montana Veterans' Home Contingency Fund Line

MVH Recruitment and Retention Contingency funding \$183,000 in 2009 and continuation of Montana Veterans' Home Contingency Fund Line Item \$250,000 each year.

Language- Montana Veterans' Home Contingency Fund appropriation may be established subject to a determination by the Office of Budget and Program Planning that federal and/or state special revenue appropriations are insufficient to operate the Veterans' Home in Columbia Falls.

Facility Upgrades OTO: - A request for one-time-only state special revenue funds for facility upgrades is estimated to cost \$330,000 over the biennium. These upgrades include replacing eighty (80) beds and remodeling resident bathrooms.

Fire Alarm System: A request for one-time-only funding to upgrade the fire alarm system at EMVH which is estimated to cost \$15,000 in state special revenue.

Resident Bus Replacement: A request for one-time-only funding to replace the facility bus, which is used to transport residents', which is estimated to cost \$40,000 in state special revenue. The current bus is no longer reliable for transportation of the residents.

PL- 22201 - SLTC Field Office Rent Adjustment -

This decision package requests \$39,304 total funds for the biennium including \$30,166 in general fund to manage the rent increases needed for existing rental contracts.

PL- 22206 - Dept of Transportation Cars -

This decision package requests \$47,155 total funds over the biennium including \$23,577 general fund to replace six cars owned by the Senior & Long Term Care division with cars from the State Motor Pool. Each of the currently owned cars has reached its functional life-cycle expectancy.

PL- 22208 - State Supplement Caseload Increase -

This decision package reflects the projected cost for caseload increase in State Supplemental payments for 20 individuals who will transfer from institutional disability services to community programs. \$24,960 in general fund is requested for FY 2008 and \$49,920 in general fund is requested for FY 2009.

SIGNIFICANT ISSUES EXPANDED**State Supplement Caseload Increase:**

The State Supplemental Payments program provides monthly supplemental payments to individuals eligible for federal Supplemental Security Income (SSI) who reside in certain designated types of licensed residential facilities. The SSI program includes the adult financial assistance programs of Old Age Assistance, aid to the disabled and aid to the needy blind, all of which were put under federal administration by 1974 amendments to Title XVI of the Social Security Act. Those same amendments authorized states to supplement the SSI payments to individuals. The Disabilities Services Division is planning on transitioning individuals with developmental disabilities from institutional disability services into community programs. They assume that 20 of these individuals would be served in group homes for the developmentally disabled for each year of the biennium.

The Addictive and Mental Disorders Division received approval to develop a Home and Community Based Services waiver for adults with a severe and disabling mental illness. They have 105 slots for FY07 and would expect to have 20 individuals in adult foster homes or assisted living for FY07. They assume this would increase to 30 individuals for each year of the biennium for FY08 and FY09. AMDD has requested funding to annualize the HCBS Waiver, PL-22414, for the 105 slots. In case the Legislature allocates additional funds to AMDD to increase slots, State Supplemental would be required for those individuals in adult foster homes and assisted living and is not included in the currently SLTCD budget submission.

Nursing Facility Provider Tax:

Montana has had a nursing facility provider tax in place since 1992. The tax was originally \$1.00 on third party payor days (excluding private payors) and increased to \$2.00 on third party payer days in 1993. Federal law changed and in order to continue to utilize this source of funding it needed to be broadly assessed on all payor days. Since 1994 the tax has been assessed on all payor days in nursing facilities at the rate of \$2.80 until 2004 when the tax was increased. Tax rate in 2004 was \$4.50 and in 2005 was \$5.30. The 2005 Legislative Session (HB 749) increased the Utilization Fee on Nursing Facility Bed days. HB-749 raises the bed tax on nursing homes to \$7.05 per bed day beginning July 1, 2005, and to \$8.30 per bed day beginning July 1, 2006. This is an increase of \$1.75 in FY 2006 and an increase of \$3.00 in FY 2007 over the FY 2005 rate of \$5.30 per day.

Previously the 6 percent allowable rate for revenue that could be generated from provider taxes was established in regulation (paragraph (3)(i) of Section 433.68 of 42CFR). According to congressional staff, the Congress intended to ensure that CMS did not issue a regulation that would phase in a 3 percent cap on the provider tax rate, per the Administration's FY2007 budget proposal. Congress recently adopted legislation that includes a provision (Title IV, Section 403) to lower the allowable Medicaid provider tax rate from 6 percent to 5.5 percent. The 5.5 percent tax rate cap is effective as of January 1, 2008 through October 1, 2011. This is estimated to save the federal government over \$300 million in FY2007. The impact of reducing Montana Provider tax from 6% to 3% was estimated at over \$9 million in state special revenue.

Nursing Home Caseload: A request to reduce total funds of \$9 million over the biennium includes \$3.1 million in general funds due to the anticipated caseload change in occupancy levels at Montana's nursing facilities. The request reflects an anticipated caseload change for Medicaid nursing facility services of one-half a percent per year during the 2009 biennium as compared to the FY06 base. Occupancy levels have fallen 12% from 1997 to the present, yet, Medicaid percentage of days covered has held relatively constant at 61%. The decline seems to have stabilized or flattened out over the last few years. The 2005 legislature adopted a 1% annual caseload decline for nursing facilities for the 2007 biennium. This proposal will continue to reflect a decline in census at a slightly less amount of one-half percent in each year of the

2009 biennium, and represents approximately 17 less individuals per year, or approximately 11,909 less bed days in FY08 over the FY06 base, and approximately 17,819 less bed days in FY09 over the FY06 base.

Waiver Waiting List: Currently, there are 516 people waiting for the HCBS Waiver program. The waiting list is expected to grow due to the aging population, the increase in demand for assisted living facilities and the desire of more individuals who are older or who have disabilities to receive care at home rather than in a nursing facility or hospital. The average length of stay on the waiting list was 274 days in fiscal year 2004; 293 days in fiscal year 2005; and 280 days in fiscal year 2006.